



In Good Taste



UPDATE FROM NCDA&CS FOOD DISTRIBUTION DIVISION
WINTER 2008

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DIRECTOR'S MESSAGE

Gary Gay

I don't know about you but we have got a lot going here at Food Distribution. We have just finished our third USDA Commodity Academy for new Directors and Supervisors. We had an attendance of 46, which we were very pleased.

As you well know, ECOS is awaiting you to place your commodity orders for the 2008-09 school year. I ask that you go to the ECOS Home Page and look for deadlines coming up on placing your orders.

Holds and Recalls have been in the news; we are currently working on the recall for New Era Canning products and a hold on beef from Westland Meats.

We are excited to offer a new state bidding concept to all schools. We hope this will take some of the burden off of you to do a bid for commodity processing. Be sure to see the State Bid Update on [page 7](#).

We look forward to finishing out this school year and visiting with you in June at the Summer Conference.



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## **COMMODITY OUTLOOK**

### **Commodity Prices Rise**

You are probably fully aware that prices for USDA commodities continue to escalate. This causes your commodity entitlement dollars to support less of the costs of your school's lunch and breakfast programs. Complicating this is the fact that FNS has had to operate under continuing resolutions from October 2007 to January 2008. A continuing resolution is a budget process where the Office of Management and Budget allots agencies like ours the same amount of money that we were given for last year. It parcels that money out in increments until Congress passes USDA's appropriation bill that provides funds to purchase commodities for the entire school year. The continuing resolution could be for a week or for a month, but FNS usually doesn't know until it is passed. We had 4 different resolutions from October 2007 through January 2008. That created problems for our sister agencies, Agricultural Marketing Service and Farm Service Agency. They are the agencies that buy the commodities. Federal Acquisition Regulations require both agencies to have money in their accounts before they can award contracts, so if you were expecting deliveries of some commodities, and they failed to arrive as planned, the continuing resolution could have been the culprit. To compound that problem, in some instances when USDA went out to bid for commodities, the commercial industry did not submit bids for all the demand. Product purchase programs for eggs, diced chicken, and fowl were cancelled due to lack of commercial bids. We also did not get enough commercial bids. We also did not get enough bids for pasta for January through March deliveries. We are offering other commodities for delivery in March through June to fill the void, such as chicken products, and bulk chicken and turkey for processing, but we anticipate higher prices. The 2008 Omnibus Appropriations Bill that provides funds to purchase commodities was signed into law December 26, 2007. This will alleviate some of the problems going forward, but it will take a few weeks for the money to flow through the system. Just keep in mind that your commodity dollars probably won't go as far this year because commodity prices have escalated.

For more information go to: <http://www.commodityfoods.usda.gov>

## FNS Announces Cheese Pricing for SY 2009

Cheese markets can be extremely volatile. In an effort to arrive at the most fair value for USDA commodity cheese the value is calculated using a 33-month average Cheddar block price based on publically available data from the Agricultural Marketing Service Dairy Market News and the Chicago Mercantile Exchange. The calculated value is used in lieu of the November 15 commodity file price for all varieties and all pack sizes of commodity cheese purchased by USDA on Summary End Product Data Schedules (SEPDS) for the purpose of rebating or discounting the price of the further processed end products.

The data used to calculate the 33-month average is available at [AMS Dairy Market News - Dairy Commodity Averages](#). The time period for the average is 33 months instead of 36 months so that the most current data is available for the time period in which the majority of States enter into State Participation Agreements for the school year beginning July 1, 2008. The methodology for calculating the 33-month average is described below:

- 1) Use the last two columns of this report under Chicago Mercantile Exchange, cheddar 40# Blocks to retrieve the average price for the previous two years. Set those numbers aside.
- 2) Retrieve the Annual and Monthly Averages section on the same page of the current year. Average the price of the Chicago Mercantile Exchange/Cheese-Daily Trading/40 # Blocks for months January through September.
- 3) Finally, take the average computed in #2, add that to the two averages from #1, and divide that total by three to arrive at the final average that will be the commodity file price use on all SEPDS containing commodity cheese.

The average price for all commodity cheese in SY 2009 is **\$1.4695**.

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Low Sodium Canned Vegetables

In continual efforts to offer nutritious foods to school children, USDA is ensuring that its commodities closely follow the recommendations provided in the 2005 Dietary Guidelines for Americans. By offering healthier commodities, such as low sodium canned vegetables, we are able to support schools in meeting



their local wellness policy that promotes student health, prevents childhood obesity, and combats problems associated with poor nutrition and physical inactivity. We believe that schools are on board for this lifestyle change. Once foods lower in salt are offered for a period of time, taste for salt tends to decrease. Schools may use other seasonings and herbs to enhance the flavor of commodities and satisfy their students' appetites. Schools

also continue to have the option to order salt-free frozen vegetable commodities. We have been working with the vegetable industry to lower the sodium levels in our canned vegetables. By reducing the sodium level to 140 mg per serving, we will be able to offer a palatable food choice that also meets FDA's nutrient content claim for low sodium foods. Over a two year period, starting in SY 2009, we plan to reduce the sodium level in all canned vegetable commodities.

- **SY 2009** – we are reducing the sodium levels to 140 mg per serving in our canned tomato products (tomato paste, tomato sauce, and salsa) and canned dried beans products. We are already using these in our household programs, and they are proving to be very popular.
- **SY 2010** – the sodium level for all other canned vegetables (carrots, corn, green beans, peas, etc.) will be reduced.

For more information go to: <http://www.commodityfoods.usda.gov>

USDA Commodities - Great Taste and Healthy, Too

USDA commodities are healthy options and American-grown foods. Today, because of some aggressive improvements USDA has made, schools participating in the NSLP have the widest choice of healthy commodity foods to date. Check out the list below – a subset of USDA's Foods Available List for schools - which highlights and summarizes some of USDA's healthy commodity foods that can be menued to support the Dietary Guidelines and MyPyramid Food Guidance System. They taste great and are low in fat, saturated fat, trans fat, sugar, and sodium. Whole grain choices are included, too.

Healthy Commodities for Schools

Commodity Name and Code	Comments
Meats	
A627 Beef, Patty Lean	~ 90% lean meat
A532 Canned Chicken	94% lean meat; More discernable chunks
A528 Chicken Burger	92% lean meat
A563 Chicken Fajita Strips	94% fat-free or lean meat
A517 Chicken Diced	96% fat-free or lean meat
A693 Ham, Water Added	95% fat-free or lean meat
A727 Ham, Diced	97% fat-free or lean meat
A726 Ham, Thin Sliced	97% fat-free or lean meat
A549 Turkey, Breast, Deli	96% fat-free or lean meat
A548 Turkey Ham	96% fat-free or lean meat
A537 Turkey Roast	94% lean meat
A742 & A745 Tuna	99% fat-free
Most Further Processed Meat Items	~ 89% lean meat
All Ground Beef products (except A627)	~ 85% lean meat
Frozen Cuts of Meat: Beef, Chicken, Pork, Turkey	Lean meats, USDA requires vendors to remove excess fat from meats
Fruits & Vegetables	
A173 Potato Wedges, Fat-free	Water blanched - 0g fat
Frozen Potato Products	Trans fat-free (only unsaturated vegetable oils used)
Canned Vegetables	Sodium 140 mg/serving (canned dried beans and tomato products starting in SY 2009; all others in SY 2010)
DoD Fresh Fruit & Vegetable Program	Wide variety of fresh fruits and vegetables offered
All Canned Fruits	Packed in light syrup or fruit juice, no heavy syrup (apple slices and red tart pitted cherries are packed in water)
A350 Canned Applesauce	Unsweetened
Grains	
Whole Wheat Flour (B351 & B360)	A whole grain food
Whole Grain Rotini (B428) & Spaghetti (B836)	A whole grain food
Brown Rice (B545)	A whole grain food
B368 Bakery Mix,	Low-fat Over 60% less fat than regular bakery mix
B444, B445, & B450 Rolled oats	A whole grain food

For more information go to: <http://www.commodityfoods.usda.gov>

Commodity Complaints

A Reminder: If you have a commodity quality and/or packaging complaint, please report it to your State Distributing Agency. The State is responsible for acting as the gatekeeper for complaints about USDA commodities. They will enter the complaint information into the Electronic Commodity Ordering System (ECOS). When reporting a complaint, you need to include the most complete information available about the product:



- The delivery order number, notice to deliver number, or contract number
- Commodity description
- Specific problem with the product
- Any illness, injury, or allergic reaction
- Quantity of product affected
- Quality of product affected
- Contact person and street address of remaining product

If you have asked for a replacement of a USDA donated product, you **must** retain the product until you have been notified otherwise by your State and/or USDA. Vendors must have the opportunity to inspect and/or pick up any product they have been asked to replace. Frequently, vendors need to inspect the product to determine what went wrong.

You can download a commodity complaint form from our website at:

<http://www.ncagr.com/fooddist/>

Email commodity complaints to: Bob.Sitton@ncmail.net

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## **SY 2008-2009 ESTIMATED COMMODITY ASSISTANCE RATE**

Preliminary entitlement information for SY 2008-2009 has already been used in planning orders for the 2008/2009 school year (July 1, 2008, through June 30, 2009). The **estimated** commodity assistance rate for SY 2008-2009 has been calculated to be 19 cents per meal. Figures used to calculate this rate are from the Bureau of Labor Statistics and are based on the Producer Price Index. Information to calculate the **actual** rate will not be available until July, 2008. We will alert you once the actual commodity assistance rate is approved and published in the Federal Register.

For more information go to: <http://www.commodityfoods.usda.gov>

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FOOD SAFETY CORNER

How States are Notified When Holds/Recalls Occur

How do you find out about food Holds/Recalls as early as possible? Product recalls seem to have been in the news a lot this past year. If there is a suspected problem with a food item, you want to act quickly to make sure the food is located and set aside so that it does not get served to children or distributed to other program recipients. Where can you get timely and dependable information about Holds/Recalls? The Food and Nutrition Service (FNS) has two ways to notify you of product recalls. First, it's important to know that Holds/Recalls can either be for USDA-purchased commodities, or for commercially available products that schools (or States) might have purchased directly from vendors or distributors. Second, you should know that two regulatory agencies can announce a hold or recall: the USDA Food Safety and Inspection Service (FSIS) regulates meat, poultry, and egg products; while the Food and Drug Administration (FDA) regulates all other foods.

USDA Commodity Holds/Recalls:

When USDA-purchased commodity product is put on Hold or Recalled, FNS and AMS collaborate to gather the specific information to identify exactly who received the product (the tracking information). The tracking information is found in the ECOS system and broadcast to States through the Rapid Alert System. The broadcast also includes information to help the States locate the product and includes instructions on what to do with the product once they find it. The FNS Regional Offices are directly involved in working with States to assure that the hold/recall message was received and acted upon, including providing information to FNS about how much product is remaining and where it is located. In summary, product Hold/Recall information for either commodity or commercial food products are provided to States by FNS using ECOS and email. If there are ever questions about product Hold/Recalls, States can contact their Regional Offices or the FNS Food Safety Staff.

For more information go to: <http://www.commodityfoods.usda.gov>

USDA issues a RECALL on New Era Canning Company Green Beans

On January 19, 2008, USDA issued a **RECALL** on Green Beans. North Carolina received 19 trucks of green beans. To date, we have not located any of the recalled beans, as the date of production was in 2003 & 2004.



On January 22, 2008, USDA issued an expanded RECALL that now includes both commercial and USDA commodity products. The expansion is due to FDA concerns about the potential for Clostridium botulinum contamination of the products manufactured by New Era canning Company, New Era, Michigan. Clostridium botulinum is the bacterium that causes botulism, which can be fatal. There have been no reports of illness or injury from the consumption of these products.

USDA Issues a RECALL on Westland Meat Company Ground Beef

On February 17, 2008, USDA issued a **RECALL** on A594 Commodity Course Ground Beef, from Westland Meat Company in California. Several school systems in our state were affected. The ground beef involved in the RECALL was beef which was diverted directly to processors for further processing. No brown box ground beef was affected. The reason for this RECALL was the treatment of cattle at the slaughter facility. There have been no cases of illness reported with this RECALL.

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## **STATE BID UPDATE**

### **State Bidding of USDA Commodities Takes a New Twist**

As many of you know we have taken on the responsibility of doing a State Bid for chicken and eggs. We have been doing this for three years now and were planning to take this concept into the fourth year. But after some evaluation and looking back at how we were doing this and rethinking this process, we have decided to take the State Bidding concept in a different direction. Basically what we are going to do is send a bid document to every processor that is approved by USDA and Food Distribution. We will ask them to give us a bid price on every item that they will offer North Carolina schools. We will gather this information place it on our web site and notify you to go and look at this information. If you choose to process you can pick the processor of your choice and then just enter your information into ECOS and you are done. We have done the bidding for you. We plan to offer:

B049 Barrel Cheese

A594 Beef

A704 Beef

B077 Mozzarella ( just cheese filled bread sticks for this year)

B480 Peanut Butter

A534 Turkey

A522 Chicken

A521Chicken

A566 Eggs

A632 Pork

We plan to add the remaining commodities for processing for the 2009-10 year. If you have any question about this, please call Tysha, Lonnie, Ted, Bob or Gary. We will be glad to walk you through this process.

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2008 FARM BILL UPDATE

Currently the Farm Bill has stalled. Both Congress and the Senate have drafted their version of the Farm Bill. The President has threatened to veto the bill.

Therefore, all parties are trying to work on a compromise. There are many good things in this bill pertaining to the USDA Commodity Program especially increasing USDA purchases of fruits and vegetables. We hope that all their differences can be worked out and we can get the 2008 Farm Bill passed.

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# AMERICAN COMMODITY DISTRIBUTION ASSOCIATION (ACDA)

## ANNUAL NATIONAL CONFERENCE

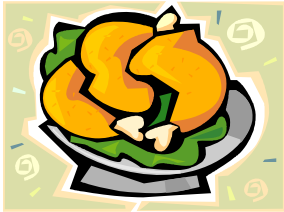
April 5-8, 2008 in Kansas City, Missouri.

This is the only national meeting of its kind that focuses solely on commodities. It offers many opportunities to learn more about the commodity programs and exchange ideas with others. For more information, visit ACDA's website at:

<http://www.commodityfoods.org>.

For more information go to: <http://www.commodityfoods.usda.gov>

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TIDBITS

In response to questions concerning the new chicken product offered for processing for next school year (2009) **A510 Chix Light Bulk Fowl**; they are chilled ready to cook without necks and giblets. Unfortunately, USDA does not offer fact sheets for bulk items. Since the bulk chicken will be further processed, it is the final product that would need the nutritional information. This information will be supplied by the processor on each end product.

CND Fact Sheets

Want to serve meals that more closely meet the 2005 Dietary Guidelines recommendations? Take the first steps and learn practical ways to make school meals even healthier! FNS's Child Nutrition Division is developing a series of fact sheets with tips to guide menu planners through small changes that can make a big difference. Watch for the first fact sheets on the FNS website in March.

For more information go to: <http://www.commodityfoods.usda.gov>

Did You Know...

... Commodities account for 15–20% of school nutrition program food purchases?

That makes commodities a small, but important component of school meals. The remaining 80–85% of food is purchased by local schools or agencies from commercial vendors.



NATIONAL SCHOOL BREAKFAST WEEK

March 3-7, 2008

This year's celebration theme is "School Breakfast Fuel Your Imagination." As you plan your menus, don't pass up the opportunity to highlight some commodity food items.

USDA Commodity Frozen Fruit Cups and Dates

Vendors providing frozen fruit cups are required to have an identifiable code on each of the primary containers reflecting the date of pack. To meet this requirement the majority of the vendors are using the actual date of pack on **the primary containers i.e. individual cups. This date is not a best-if-used-by or an expiration date.**

Based on the number of questions and concerns USDA received in SY 2007/2008, they requested that all vendors immediately change to a Julian date on the containers, but unfortunately, the majority of the product has already been packed. USDA has changed the Commodity Specifications for next year and beyond by requiring only Julian dates on the primary containers.

This information was sent to NCDA&CS Food Distribution Division on February 8, 2008 from Peggy Cantfill, Chief, USDA Operations Branch, Food Distribution Division.

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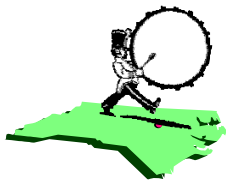
## WELCOME NEW CHILD NUTRITION ADMINISTRATORS

|                    |                            |
|--------------------|----------------------------|
| Ms. Angie Thompson | Ashe County Schools        |
| Ms. Sue Sloan      | Duplin County Schools      |
| Ms. Crissy King    | Greene County Schools      |
| Ms. Cami Lewis     | Mooresville Graded Schools |
| Ms. Valerie Greene | Orange County Schools      |
| Mr. Robert Parker  | Warren County Schools      |
| Ms. Kathy Sommers  | Yadkin County Schools      |

Please join us in welcoming these Child Nutrition Professionals to their new positions. We look forward for the opportunity to assist each one as they settle into their respective counties.

If we have overlooked you in this edition, please contact us to ensure we were notified of the change and we will see that you make the next edition of our newsletter.

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2008 MARCH ACROSS CAROLINA

It is not too early to mark your calendars for the upcoming March Across Carolina. We will be marching from the coast to the mountains. See schedule below:

Tuesday, November 4, 2008 - Riverfront Convention Center, New Bern, NC

Wednesday, November 5, 2008 - Dorton Arena, NC State Fairgrounds, Raleigh, NC

Thursday, November 6, 2008 - Hickory Metro Convention Center, Hickory, NC



2008 USDA COMMODITY ACADEMY

On February 6-7, 2008 Food Distribution held its third annual USDA Commodity Academy for Child Nutrition Directors and Supervisors. We were thrilled to have forty six wonderful CN staffers in attendance.



Our training began with the history of the commodity foods program to the inception of the National School Lunch Program and how far we have come since the days of rail car delivery, through the program as we know it today. After a break, Lonnie McMillan took our students through ECOS and Lori Ward reviewed the 209 Report. Ted Fogleman then walked them through the warehouse operations. Attendees later rotated through three stations which included: a tour of the warehouse, hands on ECOS training, and a ride down the interstate in one of our tractor-trailers. We finished up with a traditional North Carolina pig picking, which was enjoyed by all. The food was prepared by our very talented Food Distribution Staff, and was delicious.

February 7 kicked off with Beth Taylor, CND Johnston County Schools, presented a great overview and update on SNA-NC activities. Cindy Marion followed by drafting our entire class into the political arena. Field Services Staff, Judi Hoggard, and Bob Sitton presented an overview of the Field Services Section, Civil Rights and Disaster Preparedness. Following a short break, the remaining Field Staff, Josie Highsmith, Allison Medlin, and Amie Shinn presented a custom skit recapping record keeping and storage practices of USDA commodities. Tysha Sherard presented an overview of commodity processing. Gary Gay spoke on the new state bidding process and our March Across Carolina scheduled for November 2008. We were pleased that all attendees graduated, and set the bar for future Academy classes. According to the evaluations and feedback from the class, the academy was a great success. If you could not make it this year, we hope to see in our next class.

Following are pictures from the Academy:

ACADEMY PICTURES



Pamela Britt
Public Schools of Robeson County



Carolyn Kinsey
Nash-Rocky Mount Schools



Brenda Canady
Edgecombe County Schools



John Arrowood
Union County Schools



I Won!! I Won!!!
Winner of a NCD&CS prize drawing.



FOOD DISTRIBUTION EMPLOYEES RECOGNIZED



Debbie Ball, Information Processing Assistant for Food Distribution, was named NCDA&CS Employee of the Month for September 2007. Debbie has 22 years of service with our division, and she works to procure, allocate and distribute USDA food commodities to recipient agencies. Debbie was recognized for her professionalism and dedication to her job, as well as her love and care for her family and neighborhood animals.



Gail Weams, Field Representative for Food Distribution, was named NCDA&CS Employee of the Month for November 2007. Gail has 27 years of service with our division, and she works with schools and agencies that participate in the U.S. Department of Agriculture Food Program. Gail not only performs her duties for Food Distribution in an exemplary manner, she gives back to the community by volunteering for charities including the Leukemia and Lymphoma Society which named her Asheville's 2003 Women of The Year, and the WNC Down Syndrome Alliance and many others.

As Employee of the Month recipients, Debbie and Gail will be considered for the NCDA&CS Employee of the Year award to be presented in May 2008.

ACRONYM LIST

ACDA	- American Commodity Distribution Association
AMS	- Agricultural Marketing Service
CND	- Child Nutrition Division
DoD	- Department of Defense
ECOS	- The Electronic Commodity Ordering System
FDA	- Food and Drug Administration
FDD	- Food Distribution Division
FNS	- Food and Nutrition Service
FFAVORS	- Fresh Fruit and Vegetable Ordering and Receipt System
FSIS	- Food Safety and Inspection Service
SNA	- School Nutrition Association
SY	- School Year
USDA	- United States Department of Agriculture

Steve Troxler Commissioner of Agriculture
Gary W. Gay Director of Food Distribution
Bob Sitton.....Editor/Administrator for Field Services
Allison MedlinPublisher

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